

**ASSEMBLY BILL**

**No. 231**

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**Introduced by Assembly Member Eng**

January 30, 2007

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An act to amend Section 41016 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 231, as introduced, Eng. Emergency Telephone Users Surcharge Act.

The Emergency Telephone Users Surcharge Act requires any person supplying intrastate telephone communication services, as specified, in the state to collect a surcharge imposed on amounts paid by every person in the state for intrastate telephone communication service including “toll telephone service,” as defined. It requires the Department of General Services to annually determine a surcharge rate that it estimates will produce sufficient revenue to fund the current fiscal year’s costs, but prohibits the surcharge rate in any year to be greater than  $\frac{3}{4}$  of 1% nor less than  $\frac{1}{2}$  of 1%. It establishes the State Emergency Telephone Number Account into which the payments made pursuant to the act are deposited. It requires, upon appropriation, funds in the account to pay, among other things, bills submitted to the department by service suppliers or communications equipment companies for the installation of, and ongoing expenses for, specified communications services.

This bill would specify that a “toll telephone service” would include a telephonic quality communication for which there is a toll charge that varies in amount with the distance or elapsed transmission time of each individual communication, and the charge is paid within the United

States. This bill also would provide that “toll telephone service” includes, but is not limited to, bundled service that does not separately state the periodic charges for local and long distance telephonic quality communication and prepaid calling cards. This bill would also make technical, nonsubstantive changes to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 41016 of the Revenue and Taxation Code  
2     is amended to read:  
3     41016. (a) “Toll telephone service” shall mean:  
4     ~~(a)–~~  
5     (1) A telephonic quality communication for which (1) there is  
6     a toll charge ~~which~~ *that* varies in amount with the distance ~~and or~~  
7     elapsed transmission time of each individual communication and  
8     (2) the charge is paid within the United States, ~~and~~.  
9     ~~(b)–~~  
10    (2) A service ~~which~~ *that* entitles the subscriber, upon payment  
11    of a periodic charge (determined as a flat amount or upon the basis  
12    of total elapsed transmission time), to the privilege of an unlimited  
13    number of telephonic communications to or from all or a substantial  
14    portion of the persons having telephone or radiotelephone stations  
15    in a specified area ~~which~~ *that* is outside the local telephone system  
16    area in which the station provided with this service is located.  
17    (b) *For purposes of this part, “toll telephone service” includes,*  
18    *but is not limited to, bundled service that does not separately state*  
19    *the periodic charges for local and long distance telephonic quality*  
20    *communication and prepaid calling cards.*